

# FISCAL YEAR 2011 EXECUTIVE BUDGET

*Mayor Philip A. Amicone*

April 15, 2010 Briefing for the Yonkers City Council

# Impact of Late NYS Budget

NYS Budget was due on April 1st

44% of city & school budget (\$345.8 million)  
is dependent on state funding

Governor Proposed \$303.5 million total  
funding

- \$42 million (11%) total decrease

Senate committed to restore Governor's  
proposed cuts to **CITY BUDGET ONLY**

- \$22 million municipal funding restoration

# FY2011 City Gap

## \$61.5 Million

**State Aid Cut = \$22.2M**

Tax Revenue Declines = \$5.8M

Appropriated Fund Balance = \$10M

Other Revenue Adjustments = \$2.8M

Police & Fire Overtime = \$2.5M

Supplies & Contractual Expenses = \$0.9M

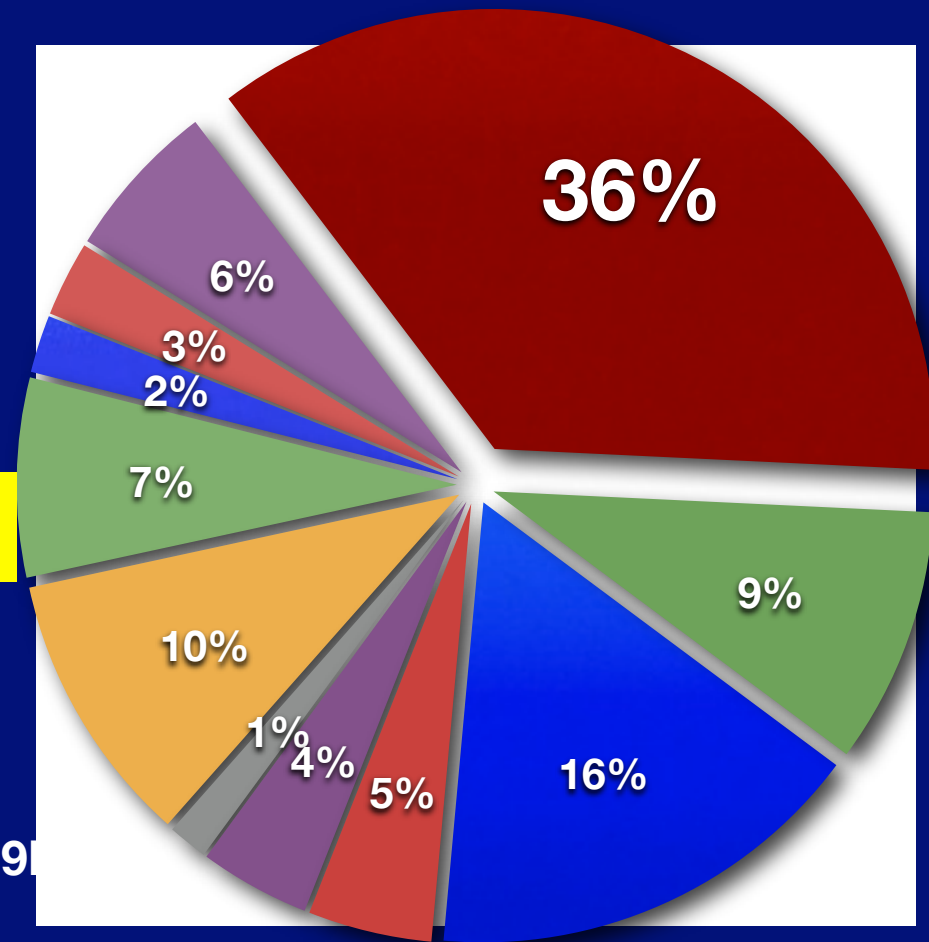
Employee Fringe Benefits = \$6.2M

Tax Certioraris = \$4.5M

Affordable Housing Subsidy \$1.3M

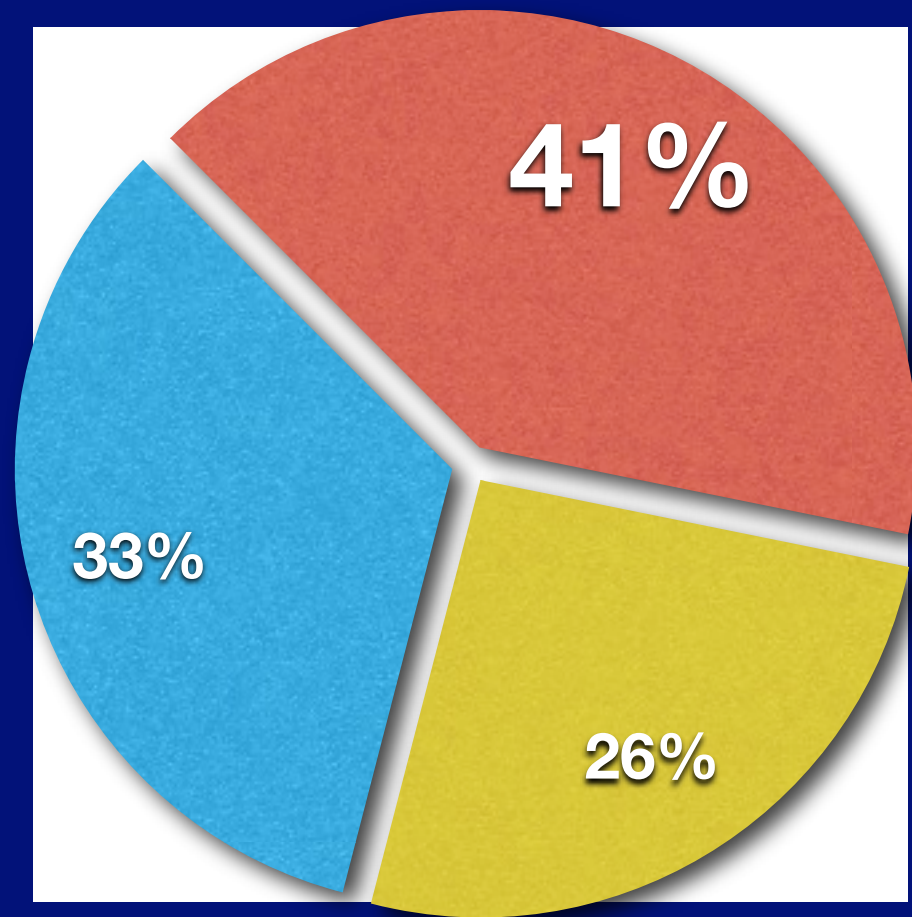
Other Expenses = \$1.7M

Debt Service = \$3.6M



**FY2011  
Schools Gap**

**\$48 Million**



- **State Funding Cut = \$20.3M**
- **Employee Fringe Benefits = \$12.9M**
- **Contractual Salary Increases = \$16.7M**

# **TOTAL GAP FY2011**

<b>City Gap</b>	<b>\$61.5 Million</b>
<b>Schools Gap</b>	<b>+ <u>\$48 Million</u></b>

**TOTAL GAP = \$109.5 Million**

# *Budget Overview*

- **FY 2011 Executive Budget = \$889.3 million**
  - \$6.7 million **DECREASE (1%)** below FY 2010
- **City Operations = \$409.3 million (46% of budget)**
  - \$2.7 million **DECREASE (1%)** below FY 2010
- **Board of Education = \$480 million (54% of budget)**
  - \$4.1 million **DECREASE (1%)** below FY 2010
  - City's contribution = \$216.4 million (\$1.4m below FY2010)  
...But still \$80.4 million (60%) greater than FY2004
- **No capital program proposed at this time**

# ***Closing the Deficit***

**\$109.5 MILLION DEFICIT NOW CLOSED.**

**\$61.5 million municipal budget gap closed.**

**\$48 million schools budget gap closed.**

**Balanced budget with zero deficit.**

***...but at heavy cost.***

# ***Closing the Projected City Deficit***

**\$61.5m CITY DEFICIT**

-\$21.7m Workforce Cuts (Layoffs / Vacant)

\$39.8m

- \$2m Apply Fund Balance

\$37.8m

- \$10m 4% Property Tax Increase

\$27.8m

-\$22.3m Senate Funding Restoration

\$5.5m

- \$1.4m Less Contribution to Education

\$4.1m

- \$4m Other Revenues & Expenses

**\$0**



# ***Closing the Projected Schools Deficit***



YONKERS PUBLIC SCHOOLS

**Superintendent's Recommended Budget**  
**Advancing Student Achievement**

# Pending Crisis in Education Funding

- RESOURCES NEEDED to advance student achievement
  - Enrollment is increasing and performance improving
- REVENUES DECREASING
  - *NYS Executive Budget Cuts* - \$20.4 M  
NYS aid frozen at 2008-2009 levels
  - *COY Executive Budget Cuts* - \$2.1 M
- NON-DISCRETIONARY COSTS SKYROCKET:
  - *Significant increases in employee retirement, health care and other benefits* - \$13.4 M
  - *Contractually driven salary increases* - \$19.2 M
  - *Transportation increases* - \$7.5 M

# Student Enrollment Annual Increase

**2009-2010\* *Actual 812 Students***

**2010-2011 *Projected 916 Students***

***Potential \$16 Million***

- **25,122** current students, the fourth largest school district in NYS
  - 24% Black, 7% Asian, 51% Hispanic, 18% White
  - 15% English Language Learners, 13% Special Needs Learners, 73% Free & Reduced Meals
- YPS is the second largest employer in Westchester County
  - 2,054 Teachers, School Counselors, Psychologists & Social Workers, and Teaching Assistants
  - 1,692 Non-Certified Staff
  - 161 School and Central Office administrative staff

\*BEDS: 2008-09 – 24,310, 2009-2010 – 24,956

# Decreasing Revenue

Revenue Source	2009/10 Adopted Revenue	2010/11		
		Projected Revenue	Increase ( Decrease ) vs. 2009/10 Adopted	
			Amount	Percent
City of Yonkers	217,849,240 (a)	216,442,076	(1,407,164)	-0.65%
State of New York	231,357,273	216,511,415	(14,845,858)	-6.42%
Other NYS Aid/Charge backs	(1,423,500)	(1,332,870)	90,630	-6.37%
NYS Discretionary Bullet Aid	3,500,000	0	(3,500,000)	-100.00%
Video Lottery Revenue Sharing	19,600,000	19,600,000	0	0.00%
Federal Aid	1,545,000	1,029,000	(516,000)	-33.40%
Chapter I State Aid Advance	0	15,803,033	15,803,033	NA
Revenue Other Debt - ERS	0	1,174,013	1,174,013	NA
Other	6,198,279	7,497,880	1,299,601	20.97%
Debt Service Fund Balance Applied	225,000	16,786	(208,214)	-92.54%
Fund Balance Designated for Subsequent Year's Expenditures - General Fund	8,200,000	6,000,000	(2,200,000)	-26.83%
<b>Total Revenue</b>	<b>\$ 487,051,292</b>	<b>482,741,333</b>	<b>\$ (4,309,959)</b>	<b>-0.88%</b>

Note (a) Reflects the \$1 million give back to COY in 2009/10



# FY 2010/11 - Skyrocketing Growth

	2009/10 Current Budget	2010/11 Projected Budget	Projected vs. Current Increase/(Decrease)
Salary	\$258,773,435	\$277,978,188	\$19,204,753
Employee Benefits	101,320,393	114,672,528	13,352,135
Utilities	8,752,081	9,051,547	299,466
BOCES	15,770,319	10,192,552	(5,577,767)
Transportation	29,156,670	36,637,075	7,480,405
Contractual	18,719,250	19,074,039	354,789
Building Repairs	2,475,000	2,615,949	140,949
Debt Service	21,759,729	20,675,392	(1,084,337)
Tuitions	13,048,414	16,289,212	3,240,798
Textbooks, etc.	3,376,000	3,367,335	(8,665)
Other	13,900,001	15,601,550	1,701,549
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	\$487,051,292	\$526,155,367	\$39,104,075

**TOTAL**

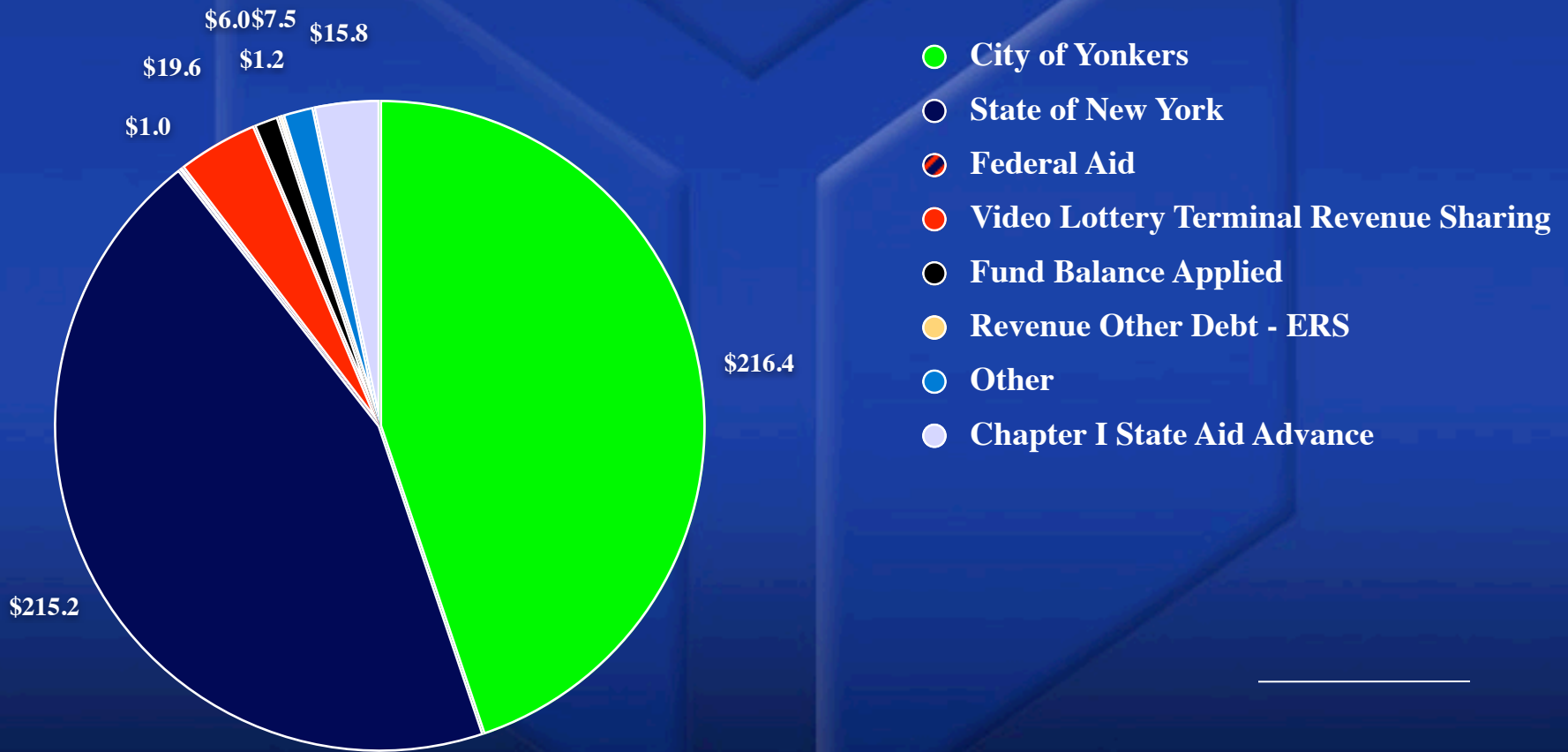
# Projected Budget Gap 2010/11

## Revenue:

City of Yonkers	\$216,442,076
State of New York	216,511,415
Other NYS Aid/Charge backs	(1,332,870)
Video Lottery Revenue Sharing	19,600,000
Federal Aid	1,029,000
<b>Chapter I NYS Aid Advance</b>	<b>15,803,033</b>
<b>Revenue Other Debt – ERS</b>	<b>1,174,013</b>
Other	
7,497,880	
Debt Service Fund Balance	16,786
<b>Fund Balance Designated for</b>	
<b>Subsequent Year's Expenditures</b>	<b><u>6,000,000</u></b>
<b>Total Revenues</b>	<b>482,741,333</b>
<b>Total Expenses</b>	<b>526,155,367</b>
<b>GAP</b>	<b><u>\$(43,414,034)</u></b>

# Projected Budget 2010/11

## Revenue: Where the Money Comes From



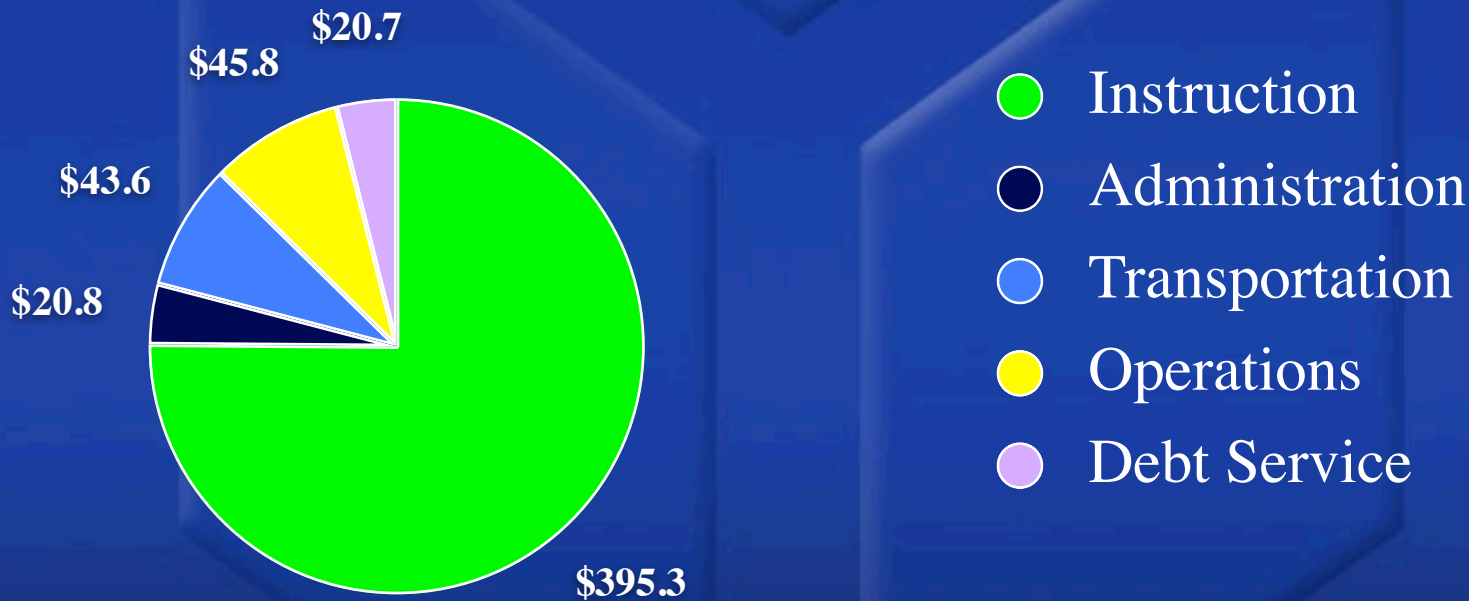
In Millions of Dollars



# Projected Budget 2010/11

## Expenditures: Where the Money Goes

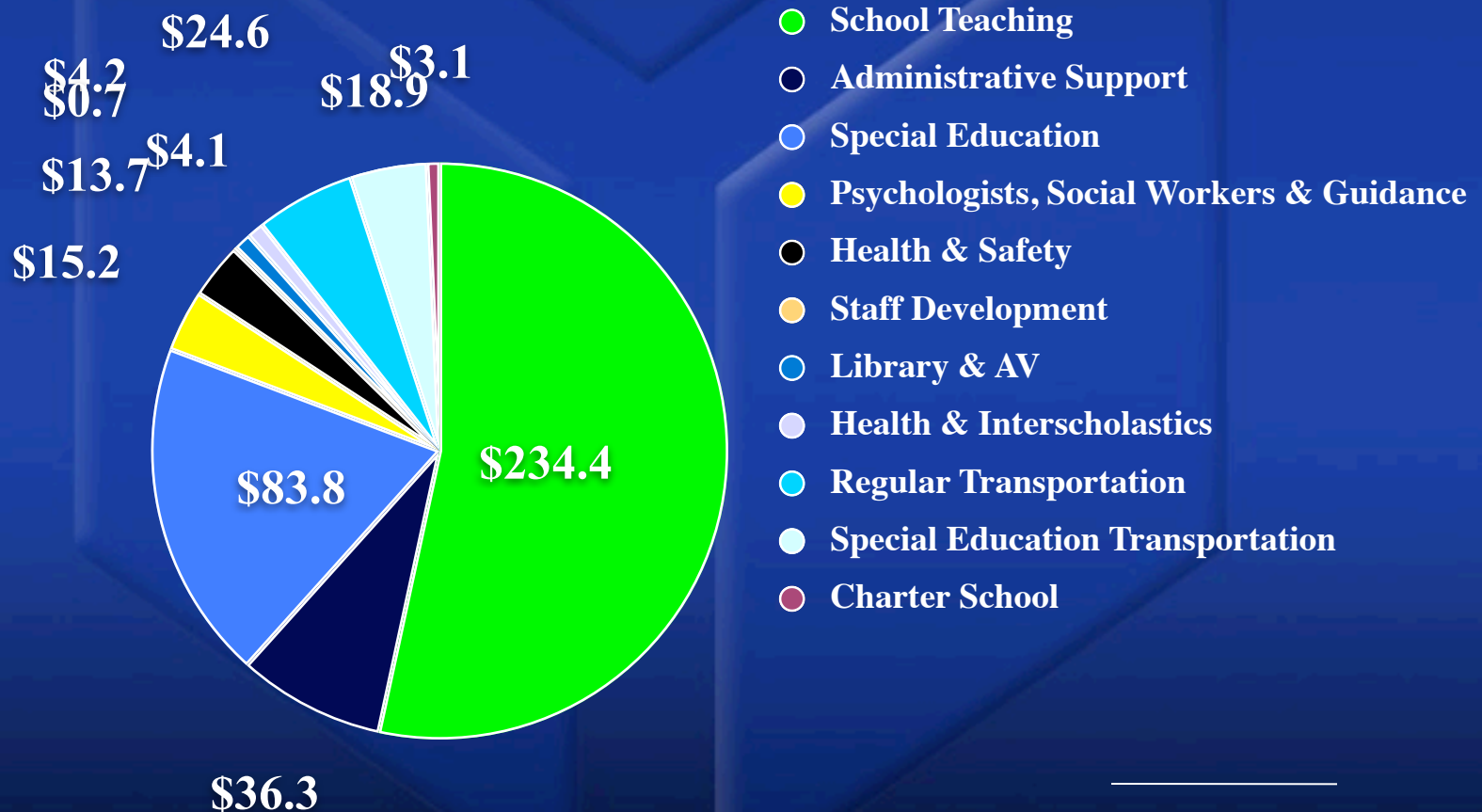
### \$526,155,367



In Millions of Dollars

# Students are our Priority

83% Allocated for Instruction & Transportation \$438,924,436



In Millions of Dollars

# Short Term Fixes

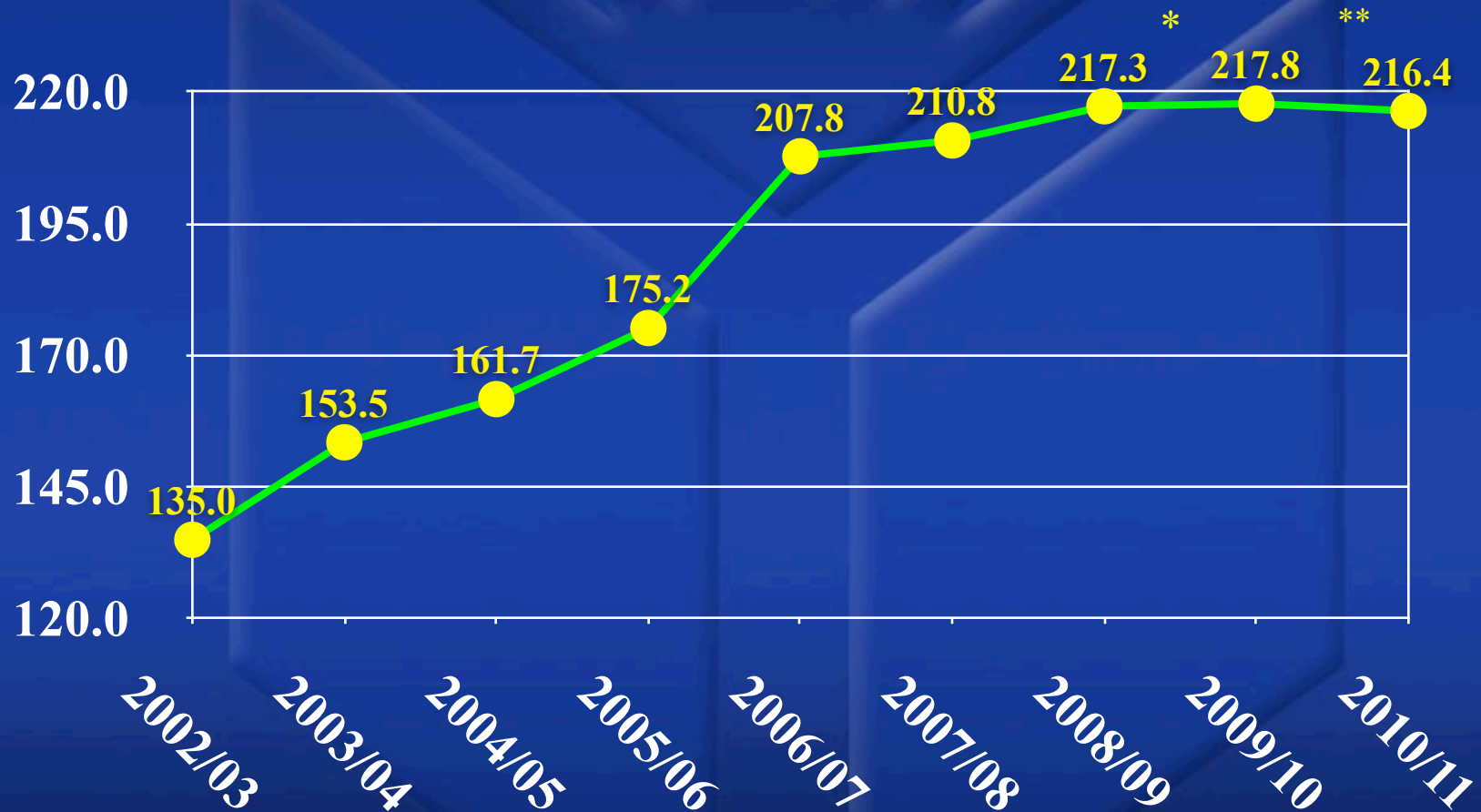
## *Misplaced Priorities*

Planned efficiencies are impossible when:

- Promised NYS funds such as Foundation Aid increases are not delivered – *Frozen then Reduced*
- Quasi-state agencies such as ERS, TRS and Empire increase rates while NYS cuts revenue
- No relief from unfunded mandates while services continue, for example: support for ELLs, NCLB required services, Data Warehousing, special education mandates
- Fiscal crises facing COY threaten what should be a stable source of funding for the District – *Reduction 2010-2011*
- Collective bargaining agreements need to focus on enhancing 21<sup>st</sup> Century teaching and learning

# History of Yonkers City Contributions

## No Growth for Three Years

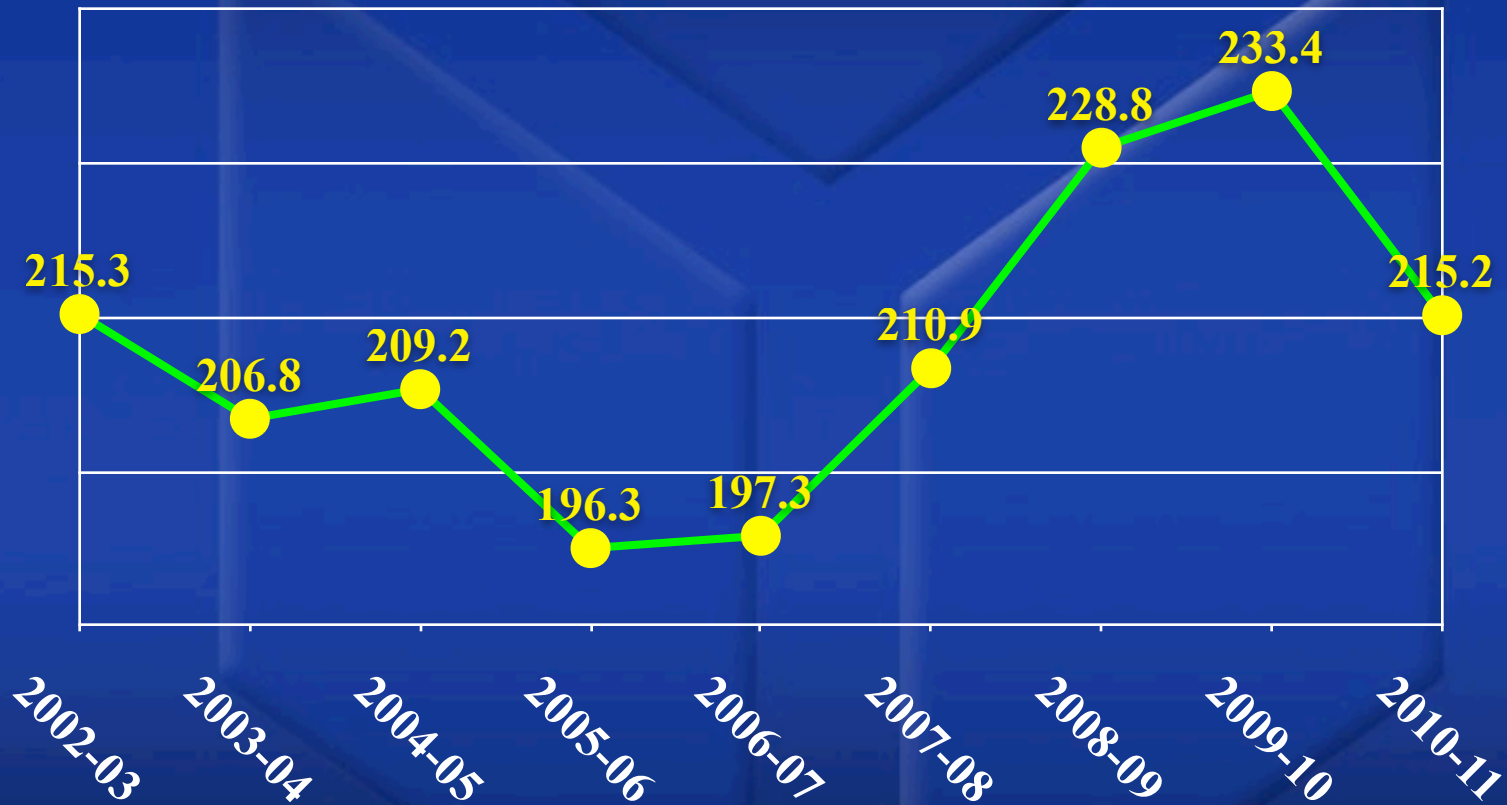


\*Reflects \$1.5 million voluntary reduction in City contribution

\*\* Reflects \$1 million voluntary reduction in City contribution

# History of State Aid

## Increases Deferred and Catastrophic Cuts



\*Does not include \$15.8 million of Chapter I State Aid advance



# Without proper funding, cost reductions profoundly impact Teaching and Learning

## *The District MUST:*

- *Increase* class size throughout the District
- *Increase* to 2.0 miles the 1.5 mile eligibility radius requirement to receive transportation
- *Eliminate* MetroCard subsidy to high school students
- *Eliminate* the Prekindergarten program
- *Eliminate* high school interscholastic sports
- *Reduce* essential staff, district-wide

# **Without \$43.4 Million**

## **Only Damaging Solutions Remain**

### **Some Student and/or Staff Impact**

<b>Eliminate Interscholastic Sports</b>	<b>\$2,944,759</b>
<b>Change Bell Schedules to increase Double Runs</b>	<b>\$3,623,590</b>
<b>Change Bus Eligibility to two mile radius</b>	<b>\$2,008,854</b>
<b>End subsidy of MetroCards</b>	<b>\$ 675,000</b>
<b><i>Total</i></b>	<b>\$9,252,203</b>

### **Major Student and Staff Impact: District-wide Disruption**

**Eliminate 455 Positions (*including elimination of Pre-K program*)**

<b>• 229 Teacher Positions</b>	<b>\$21,526,000</b>
<b>• 12 Administrator Positions</b>	<b>\$ 1,128,000</b>
<b>• 214 Civil Service Positions</b>	<b>\$11,556,000</b>
<b><i>Total</i></b>	<b>\$34,210,000</b>

***Grand Total***      **\$43,462,203**

# Yonkers Board of Education Consolidated Adopted Budget

School Year	Consolidated Budget	Percent Increase Over Previous Year
• 2005/06	\$404,800,000	9.76%
• 2006/07	\$434,600,000	7.36%
• 2007/08	\$459,726,704	5.78%
• 2008/09*	\$483,124,344	5.09%
• 2009/10**	\$487,051,292	0.81%
• <b>2010/11</b>	<b>\$526,155,367</b>	<b>8.03%</b>

\*Reflects the \$1.5 million give back to COY

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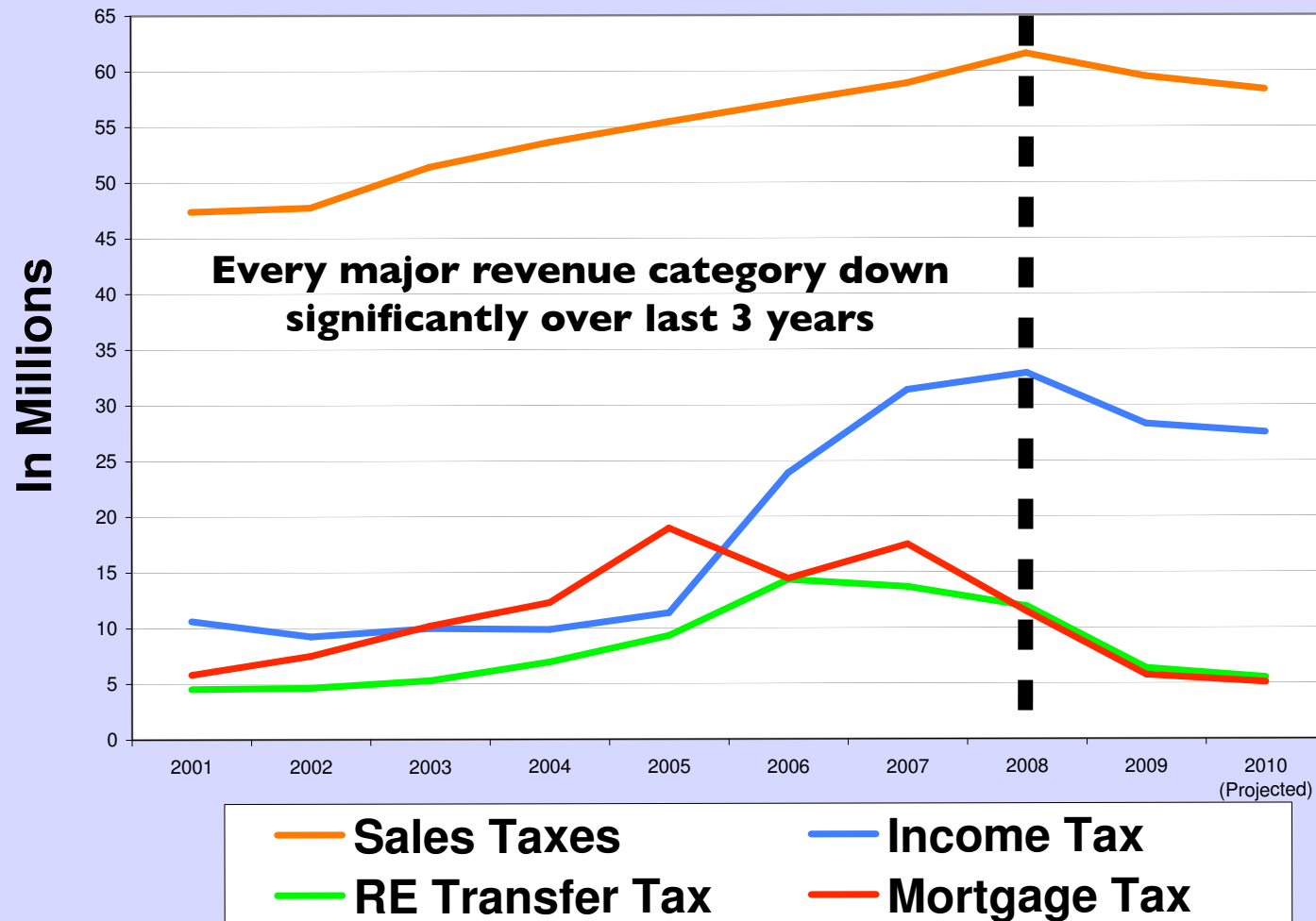


# Fiscal Year 2011 Executive Budget

## Revenues

# Impact of Recession on Revenues

## City of Yonkers Revenue Trends



# ***Budget Summary: Revenues***

## **Revenue Declines Projected in FY2011**

- Mortgage tax 10% below FY2010**
- Real estate transfer tax 19% below FY2010**
- Sales tax 1.4% below FY2010**
- Income tax 6% below FY2010**

**Other Revenues: interest on investments down 66%**

***NOTE: City Council could adjust revenues upward based on April - June 2010 estimates***

# *Budget Highlights: Revenues*

- Certioraris continue to lower property tax levy  
\$4 million lost
  - 1.5% property tax incr. would be needed to get “back to even”
- Proposing 4% property tax increase
  - Average of \$295 per homeowner
- Water rates increased (NYC water rates)
  - Average increase of \$20 per homeowner

# *Budget Highlights: **Spending***

- Total spending decrease of 1%
- Discretionary spending held at bare bones
- Smallest workforce since 1997
  - Serious impact to services and quality of life
- Non-personnel budget cuts total \$1 million
  - Office of the Mayor budget reduced by 17%
- Police overtime budget = \$11.7 million
  - Same level as 2010 proposed
- No salary increases

# ***Budget Highlights: Spending***

City Operations \$409.2 million (46% of budget) –  
**DECREASE of \$2.7 million or 1% from FY2010**

**Only Increase to expenses were mandated costs**

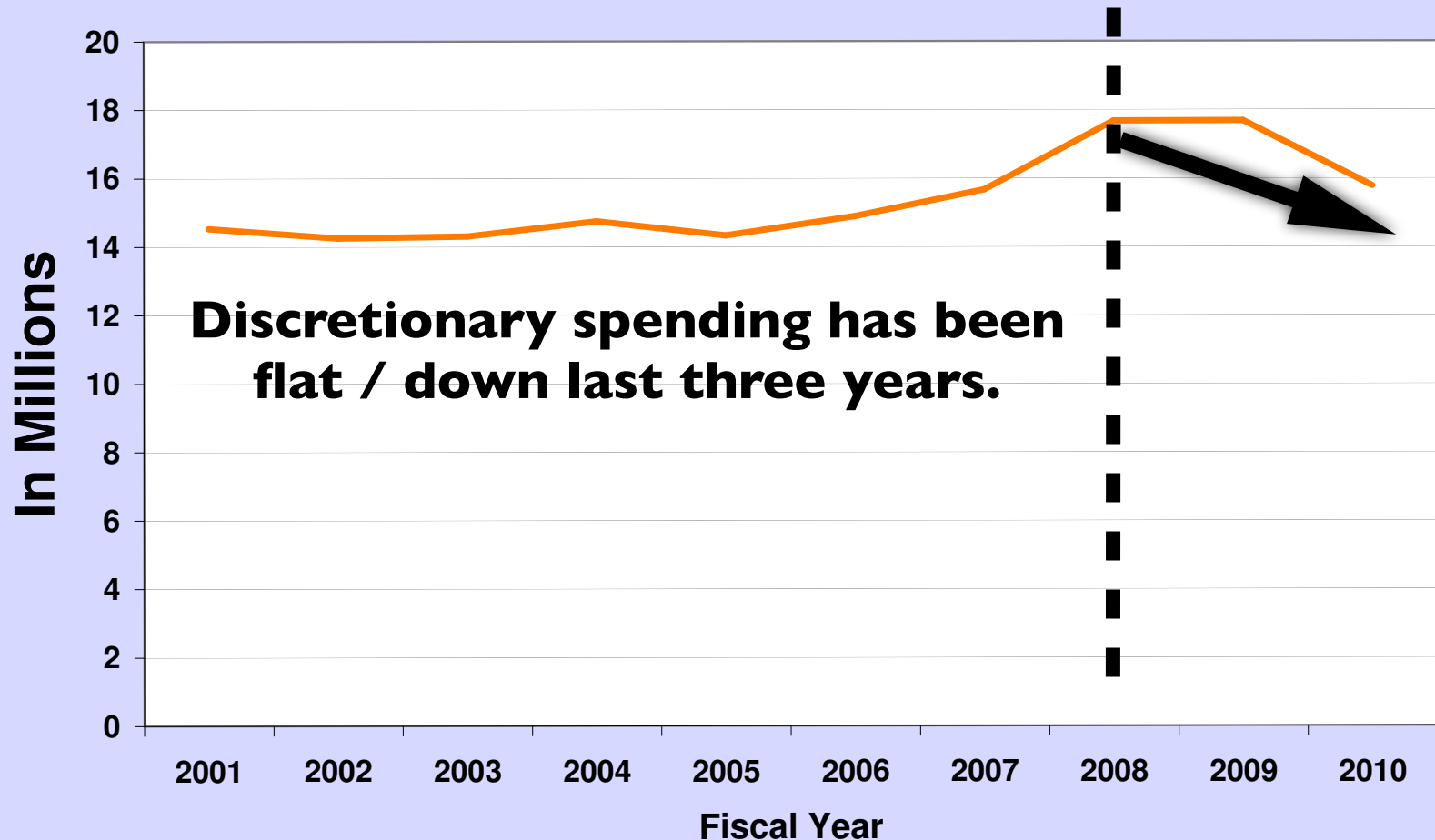
- Departmental Expenses
  - Water costs = \$12.3 million
  - Light & power = \$6 million
- Fringe Benefits = \$104.2 million
- Debt Service = \$66.4 million

***NO INCREASE TO DISCRETIONARY SPENDING***

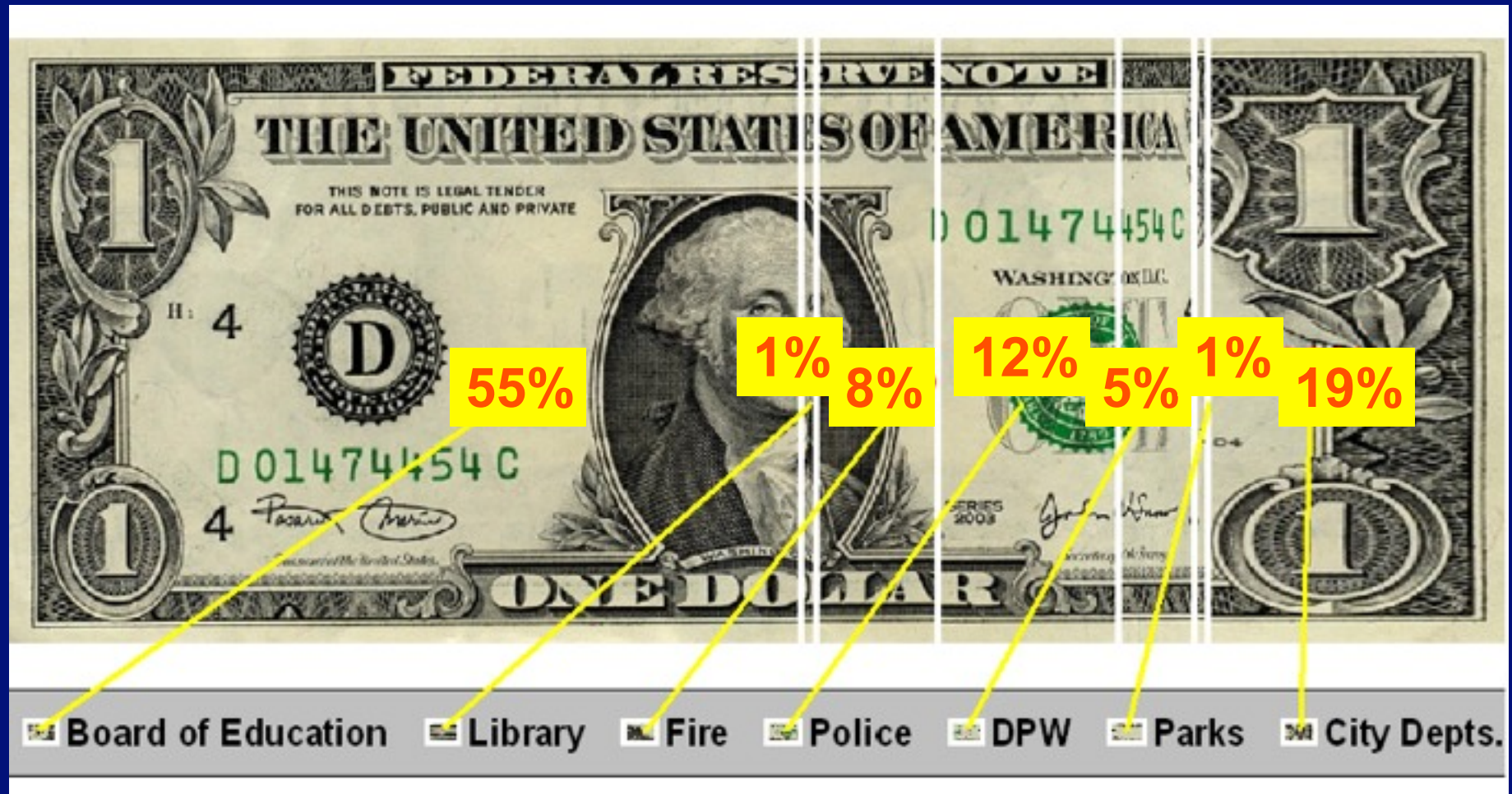
# Holding the Line on Discretionary Spending

...discretionary  $\neq$  waste

## Discretionary Spending Trend



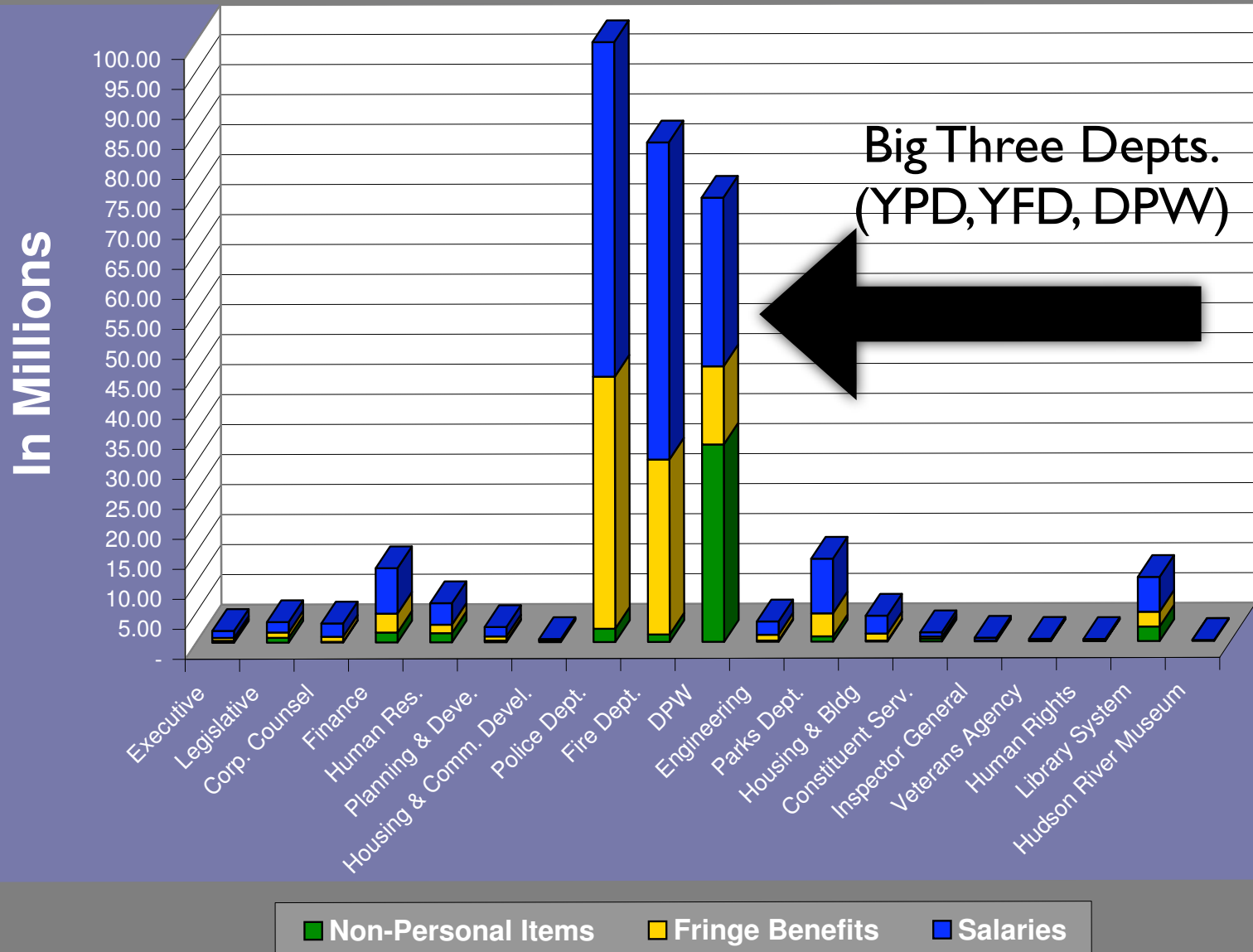
# Budget Basics: Your Tax Dollar





# ***Workforce Reductions***

# City of Yonkers Departmental Budget FY 2010



DEPARTMENT	LAYOFF	VACANT	TOTAL	% of Total Dept. Budget Cut
Mayor	1	1	2	17.5%
Legislative	*	*	*	7.3%
Police	51	40	91	3.1%
Fire	44	-	44	6.8%
DPW	52	-	52	3.5%
Support Depts.	25	6	31	8.9%
Human Rights	4	-	4	100%
Parks	6	2	8	10.2%
Library	*	*	*	7.5%
<b>TOTAL</b>	<b>177</b>	<b>56</b>	<b>233</b>	-

UNION	LAYOFF / DEMOTION	VACANT	TOTAL	% of Total Positions Cut
Non-Union	13	2	15	10.3%
SEUI	11	5	16	8.1%
AFSCME	4	-	4	10.8%
CLSA	23 (Demotions)	-		18.3%
PBA	51	40	91	13.2%
UFOA	30 (Demotions)	-		23.3%
Local 628	44	-	44	13.0%
Teamsters	54	9	63	13.0%
<b>TOTAL</b>	177	56	233	11.9%

# ***Budget Timetable***

- City Council's Budget Committee will conduct public meetings and hearings over next six weeks
  - Departmental budget presentations
  - Opportunities for public input
- City Charter requires City Council to adopt final budget by June 1
- FY 2011 Budget will take effect July 1